

## Environment Alert

August 18, 2015

### **EPA Proposes Major New Air Emissions Requirements for the Oil and Gas Industry**

The Environmental Protection Agency (EPA) released today a suite of requirements that impose strict new limits on the emission of volatile organic compounds (VOC) and methane by the oil and natural gas industry. The proposals include:

- new leak detection and repair requirements
- more stringent requirements for the capture of natural gas from the completion of hydraulically fractured oil and gas wells
- additional requirements to limit emissions from new and modified pneumatic pumps and equipment used at transmission compressor stations, including compressors and pneumatic controllers.

Comments on EPA's proposal—totaling more than 1,100 pages—must be received within 60 days after the proposals are published in the Federal Register.

The proposed rules would amend the 2012 New Source Performance Standards (NSPS) to address not only methane and VOC emissions for sources already covered, but also sources and equipment downstream from wells and production sites that were not regulated in the 2012 rules. The EPA issued a proposed Source Determination Rule that, according to EPA, would clarify air permitting rules as they apply to the oil and gas industry. Finally, EPA proposed a Federal Implementation Plan for EPA's Indian Country Minor New Source Review program for oil and gas production sources.

According to EPA, its proposals are “cost effective regulations to reduce harmful air pollution from the oil and natural gas industry . . . [that] rely on proven technologies and best practices that are in use today to reduce emissions . . . .” These new requirements “will help combat climate change [and] reduce air pollution that harms public health . . . .” [\[http://www.epa.gov/airquality/oilandgas/actions.html\]](http://www.epa.gov/airquality/oilandgas/actions.html).

There appear to be some positive elements to EPA's action, though what EPA gives with one hand, it provides mechanisms for the other hand to take away. For example, sources already subject to the 2012 NSPS requirements for VOC reductions that also would be covered by the proposed 2015 methane requirements would not have to install additional controls, because the controls to reduce VOCs reduce both pollutants. However, the proposed Control Techniques Guidelines (CTGs) provide recommendations for state and local air agencies to consider in determining reasonably available control technology (RACT) for reducing emissions from covered processes and equipment.

While the CTGs do not impose legal requirements on sources, they are likely to have the greatest impact in ozone nonattainment areas. Moreover, in light of EPA's November 2014 proposal to make the ozone health standard more stringent, existing VOC sources can expect additional controls to be forthcoming.

Any entity connected to the oil and gas industry and related associations should seriously consider reviewing the proposals and providing comments to EPA. Comments on issues such as the costs imposed by the new requirements, the technical feasibility of EPA's suggested controls and assumptions regarding control efficiencies are the types of comments that are most likely to have an impact on the final rule.

EPA's chart identifying the sources covered by the 2012 NSPS for VOCs and the proposed 2015 NSPS for VOCs and methane can be found at

[http://www.epa.gov/airquality/oilandgas/pdfs/og\\_table\\_081815.pdf](http://www.epa.gov/airquality/oilandgas/pdfs/og_table_081815.pdf).

## Contact Information

If you have any questions regarding this alert, please contact:

**Paul E. Gutermann**

[pgutermann@akingump.com](mailto:pgutermann@akingump.com)

202.887.4088

Washington, D.C.

**Stephen D. Davis**

[sddavis@akingump.com](mailto:sddavis@akingump.com)

713.220.5888

Houston